



**Solicitation Information  
May 6, 2015**

**RFP# 7549552**

**TITLE: Employee Benefits Consulting Services**

**Submission Deadline: June 4, 2015 at 10:00 AM (Eastern Time)**

**PRE-BID/ PROPOSAL CONFERENCE: NO**

**MANDATORY:**

If YES, any Vendor who intends to submit a bid proposal in response to this solicitation must have its designated representative attend the mandatory Pre-Bid/ Proposal Conference. The representative must register at the Pre-Bid/ Proposal Conference and disclose the identity of the vendor whom he/she represents. A vendor's failure to attend and register at the mandatory Pre-Bid/ Proposal Conference shall result in disqualification of the vendor's bid proposals as non-responsive to the solicitation.

**DATE:**

**LOCATION:**

Questions concerning this solicitation must be received by the Division of Purchases at [David.Francis@purchasing.ri.gov](mailto:David.Francis@purchasing.ri.gov) no later than **May 15, 2015 at 10:00 AM (ET)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

**SURETY REQUIRED: No**

**BOND REQUIRED: No**

**David J. Francis  
Interdepartmental Project Manager**

Applicants must register on-line at the State Purchasing Website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

**Note to Applicants:**

Offers received without the entire completed three-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

**THIS PAGE IS NOT A BIDDER CERTIFICATION FORM**

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## **SECTION 1: INTRODUCTION**

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Rhode Island Department of Administration/Office of Employee Benefits ), is soliciting proposals from qualified firms to provide actuarial and consulting services for the employee benefits program, in accordance with the terms of this Request for Proposals and the State's General Conditions of Purchase, which may be obtained at the Rhode Island Division of Purchases Home Page by Internet at [www.purchasing.ri.gov](http://www.purchasing.ri.gov) .

The State is interested in a qualified firm capable of taking a creative, innovative approach to the rising costs of health care and employee benefits, while maintaining fiscal responsibility,

The initial contract period will begin approximately on July 1, 2015 for three (3) years. The Contract may be renewed with two optional one-year extensions at the sole discretion of the State.

This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals.

### **INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:**

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.
4. Proposals are considered to be irrevocable for a period of not less than 60 days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.

7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.
11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation.
13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information visit the website [www.mbe.ri.gov](http://www.mbe.ri.gov)
15. Under HIPAA, a "business associate" is a person or entity, other than a member of the workforce of a HIPAA covered entity, who performs functions or activities on behalf of, or provides certain services to, a HIPAA covered entity that involves access by the business associate to HIPAA protected health information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits HIPAA protected health

information on behalf of another business associate. The HIPAA rules generally require that HIPAA covered entities and business associates enter into contracts with their business associates to ensure that the business associates will appropriately safeguard HIPAA protected health information. Therefore, if a Contractor qualifies as a business associate, it will be required to sign a HIPAA business associate agreement

16. In order to perform the contemplated services related to the Rhode Island Health Benefits Exchange (HealthSourceRI) , the vendor hereby certifies that it is an “eligible entity,” as defined by 45 C.F.R. § 155.110, in order to carry out one or more of the responsibilities of a health insurance exchange. The vendor agrees to indemnify and hold the State of Rhode Island harmless for all expenses that are deemed to be unallowable by the Federal government because it is determined that the vendor is not an “eligible entity,” as defined by 45 C.F.R. § 155.110.

## **SECTION 2: BACKGROUND**

The Rhode Island Department of Administration, Office of Employee Benefits, is responsible for managing the various group benefit programs available to state employees. The State currently provides the following benefits:

### **A. State-subsidized Employee Benefits**

<u>Benefit</u>		<u>Carrier</u>	<u>Participants</u>
Medical Insurance	self-funded	UnitedHealthcare	12,697 employees
Prescription	self-funded	CVS Caremark	12,697 employees
Dental Insurance	fully-insured	Delta Dental	13,538 employees
Vision Plan	self-funded	VSP	13,425 employees

### **B. Employee-paid Voluntary Benefits**

<u>Benefit</u>	<u>Carrier</u>	<u>Participants</u>
Basic Life/AD&D (1 x Base)	Aetna	8,081
Optional Life Ins. (1 x Base)	Aetna	3,220
STD Ins.	AFLAC, Colonial	4,850

Cancer Ins.	AFLAC Colonial	2,434
Legal Ins.	Signature	2,276
Deferred Comp	Fidelity, Voya AIG	4,134
FSA, DCA	Flex-Plan Services	2,980

### **C. Retiree Benefit**

The Office of Employee Benefits provides subsidized medical insurance to approximately 5,468 non-medicare eligible retirees and their spouses. Retirees under age 65 have two plan options to choose from, both including prescription drugs.

The Office of Employee Benefits has contracted through Extend Health/Towers Watson to provide an Individual Medicare Exchange and Health Reimbursement Administrative (HRA) Services for approximately 5,468 subsidized Medicare eligible retirees.

See [www.employeebenefits.ri.gov](http://www.employeebenefits.ri.gov) for plan and subsidy descriptions.

## **SECTION 3: SCOPE OF WORK**

### **General Scope of Work**

The State is seeking employee benefits consulting services for the benefits described in this section. The State usage of the employee benefits consulting services are on an as-needed basis. No minimum amount of work is guaranteed.

### **Specific Activities / Tasks**

The State seeks a vendor to provide the following services:

1. Provide ongoing analysis of the state-paid benefits (medical, dental, vision) to assure proper design, funding, administration and contract compliance. Monthly medical claims analysis will be required as well as significant interaction with the state's budget personnel.
2. Provide any necessary actuarial services/analysis of health insurance claims reserves, including projecting funding needs in preparation of budget and expenditure projections for upcoming fiscal year(s).
3. Participate in appropriate audits of vendors, as requested, based on a statistically valid stratified random sample that achieves a minimum 95% confidence level and prepare comprehensive and detailed reports, and recommendations of the audit findings; review results with our plan administrators.

4. Provide assistance identifying best practices in benefit plans. Benchmarking and consultation on trends and strategies on an on-going basis to manage cost efficiency and effectiveness.
5. Provide updates on both federal and state tax law and provisions of the Patient Protection and Affordable Care Act (ACA) as it relates to changes affecting benefit plans.
6. Develop/assist in implementation of new plan designs, including actuarial cost projections for various plan feature changes and improvements.
7. Monitor financial solvency of insurance companies that contract with the State to provide benefits.
8. Evaluate appropriateness of alternative financing mechanisms such as employee contributions, HRA/ HSA/ FSA accounts, and conventional insurance.
9. Advise State in vendor contract negotiations/renewals.
10. Respondents will be responsible for assisting, drafting, issuing and evaluating the following RFP's:
  - a. Third Party Administration Services for medical insurance for State employees and retirees. The current contract with UHC expires December 31, 2016, with two optional one year extensions.
  - b. Third Party Administration Services for prescriptions for State employees and retirees. The current contract with CVS Caremark expires December 31, 2016, with two optional one year extensions.
  - c. Medicare Exchange and Health Reimbursement Administrative Services for Medicare eligible retirees. The current contract with Extend Health/Towers Watson expires on June 30, 2017, with two optional one year extensions.
  - c. Dental Insurance for State employees: The current contract with Delta Dental expires on December 31, 2015.
  - d. Vision coverage for State employees: The current contract with Vision Service Plan expires on June 30, 2017, with the option to renew for two additional years.
  - e. Voluntary, employee-pay-all group programs, i.e., short term and long term disability insurance.

## **SECTION 4: TECHNICAL PROPOSAL**

Narrative and format: The separate technical proposal should address specifically each of the required elements:

**1. Capability, Capacity, and Qualifications of the Offeror**

Please provide a detailed description of the Vendor's experience as an Employee Benefits Consultant, specifically including experience providing actuarial consulting services. Provide specific details of the firm's experience in taking a creative, innovative approach to the rising costs of health care and employee benefits. A list of relevant client references must be provided, to include client names, addresses, phone numbers, dates of service and type(s) of service(s) provided.

**2. Staff Qualifications**

Please provide staff resumes/CV and describe qualifications and experience of key staff who will be involved in this project, including their experience in providing consultative and actuarial services for benefits programs.

**3. Work plan**

Please describe in detail the work plan proposed describing the framework within which requested services will be performed consistent with the General Scope of Work and Specific Tasks/Activities.

**4 Approach/Methodology**

Please describe in detail the applicant's understanding of the requirements of this request for proposal including the results intended and desired, the approach and/or methodology to be employed.

## **SECTION 5: COST PROPOSAL**

Detailed Budget and Budget Narrative:

Using the Appendix A: Budget Form, provide a signed and separately sealed budget and budget narrative detailing the cost for services described in Section 3: Scope of Work. All bids must be inclusive of travel, postage, production and any other associated fees.

The consultant shall be remunerated solely on a fee for service basis. The consultant shall not receive income with respect to this agreement, directly or indirectly, from any insurer, administrator or other source of services to be provided in a recommended program.



## **SECTION 6: EVALUATION AND SELECTION**

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (85.7%) out of a maximum of 70 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 30 points in cost category, bringing the potential maximum score to 100 points.

The Department of Administration reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

<b>Criteria</b>	<b>Possible Points</b>
Capability, Capacity, and Qualifications of the Offeror	25 Points
Staff Qualifications	15 Points
Quality of the Work plan	15 Points
Suitability of Approach/Methodology	15 Points
<b>Total Possible Technical Points</b>	<b>70 Points</b>
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 30 points *	30 Points
<b>Total Possible Points</b>	<b>100 Points</b>

\*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

$$(\text{low bid} / \text{vendors bid}) * \text{available points}$$

For example: If the low bidder (Vendor A) bids \$65,000 and Vendor B bids \$100,000 for monthly cost and service fee and the total points available are Thirty (30), vendor B's cost points are calculated as follows:

$$\$65,000 / \$100,000 * 30 = 19.5$$

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal.

## **SECTION 7: PROPOSAL SUBMISSION**

Questions concerning this solicitation may be e-mailed to the Division of Purchases at [David.Francis@purchasing.ri.gov](mailto:David.Francis@purchasing.ri.gov) no later than the date and time indicated on page one of this solicitation. Please reference **RFP 7549552** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (**an original plus four (4) copies**) should be mailed or hand-delivered in a sealed envelope marked "**RFP 7549552 Employee Benefits Consulting Services**" to:

RI Dept. of Administration  
Division of Purchases, 2nd floor  
One Capitol Hill  
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

## **RESPONSE CONTENTS**

Responses shall include the following:

1. One completed and signed three-page R.I.V.I.P generated bidder certification cover sheet (included in the original copy only) downloaded from the RI Division of Purchases Internet home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
2. One completed and signed W-9 (included in the original copy only) downloaded from the RI Division of Purchases Internet home page at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).

3. **A separate Technical Proposal** describing the qualifications and background of the applicant and experience with and for similar projects, and all information described earlier in this solicitation. As appropriate, resumes of key staff that will provide services covered by this request.
4. **A separate, signed and sealed Cost Proposal** using the Appendix A: Budget Form. Be sure to provide a budget and budget narrative detailing the cost for services described in Section 3: Scope of Work.
5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in **electronic format (CD-Rom, disc, or flash drive)**. Microsoft Word / Excel OR PDF format is preferable. Only 1 electronic copy is requested and it should be placed in the proposal marked "original".

### CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchases/General Terms and Conditions can be found at the following URL: <https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>

## Appendix A: Budget Form

	<b>*FY 2016</b>	<b>*FY 2017</b>	<b>*FY 2018</b>
Annual Benchmarking			
Strategic Review and Annual Planning			
Experience Monitoring and Financial Analysis			
Audit of Medical Plan			
Audit of Pharmacy Plan			
Sub-Total			
**Competitive Bidding (Medical)			
**Competitive Bidding (Pharmacy)			
**Competitive Bidding (Retire Medicare Exchange)			
**Competitive Bidding (Dental)			
**Competitive Bidding (Vision)			
**Competitive Bidding: Short Term Disability			
**Competitive Bidding: Long Term Disability			
Sub-Total			
<b>TOTAL BUDGET FY16-18</b>			

\* Fiscal Year (FY) = July 1- June 30

\*\*= One-time cost that may occur at any point during the initial three-year term